

Message Text

PAGE 01 SAIGON 20127 01 OF 03 291226Z

11
ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 SSO-00 NSCE-00 AID-20

EB-11 FSI-01 PM-07 INR-10 IO-14 L-03 NSAE-00 NSC-10

PA-04 RSC-01 DRC-01 DPW-01 PRS-01 OMB-01 SS-20 INRE-00

/155 W

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O R 291030Z NOV 73
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC IMMEDIATE 9428
INFO AMEMBASSY BANGKOK
AMEMBASSY BUDAPEST
AMEMBASSY CANBERRA
AMEMBASSY JAKARTA
AMEMBASSY LONDON
AMEMBASSY MANILA
AMEMBASSY MOSCOW
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY PHNOM PENH
AMEMBASSY SEOUL
AMEMBASSY TOKYO
USIA WASHDC
AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON
RUFNPFRXUSDEL JEC PARIS

CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA
AMCONSUL BIEN HOA
AMCONSUL CAN THO
AMEMBASSY TEHRAN
CONFIDENTIAL

PAGE 02 SAIGON 20127 01 OF 03 291226Z

AMCONSUL DANANG
AMCONSUL NHA TRANG
USDAO SAIGON
CINCPAC

CINCPACAF
CO 7TH PSYOPS GP
CINCPACFLT
CINCUSARPAC
USLO PEKING
DEPCHIEF JUSMAAG

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 20127/1

E.O. 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJECT. EMBASSY SAIGON'S MISSION WEEKLY, NOV 22-29,1973

BANGKOK ALSO PASS OSA; DEP ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD-PRO USAJFKCMAINTTN: ATCS-WL-DSA

THE WEEK IN BRIEF

--CASUALTIES ROSE IN MR-1; MR-11 IMPROVES DEFENSES; ACTIVITY IN
MR'S-111 AND IV ROSE TO NEW HEIGHTS

--FLOOD VICTIMS AIDED BY FELLOW COUNTRYMEN

--NEW FACES IN MR PALCES

--A SENATORIAL REQUEST FOR PEACE

--LINH AGAIN CHIEF JUSTICE

--SWEET SUCCESS COMES IN THREE'S FOR THE GVN

--WORDS, A DIPLOMATIC RETALIATION FOR PLEIKU

--GAMBIAN PRESIDENT "RECENTLY" RECEIVED RVN AMBASSADOR

--THE UNILATERAL BILATERALS: VIET CONG PROMISES ANOTHER
CONFIDENTIAL

PAGE 03 SAIGON 20127 01 OF 03 291226Z

"NO SHOW"

--VWP STOPS OFF IN EAST GERMANY

--A STORY OF COLD, HUNGARY,; &-, \$ #9.3)3 ,945# ;835-NAM,
AS TOLD BY A NORTH VIETNAMESE*

--HANOI TO HOST THREE SPRING PARTIES--CONGRESSES THAT IS

--HANOI HURLS HATEFULNESS AT THE BATTLIN' BRITISH

--PATHET LAO IN ACCORD WITH HANOI--AT LEAST ON TRANSPORT

--THO SCORES POINTS IN CHINA; NOW OFF TO WARSAW

--"PRG INFORMATION DIRECTOR" RECEIVED IN NORWAY

--"PRG" SHARES IN GUINEAN VICTORY CELEBRATION

--GVN TALKS WITH IBRD TEAM; IMF DELEGATION ARRIVES

--PRICE HIKES ON POL LCSES INDEX 2.5 PERCENT

--BLACK MARKET CURRENCY AND GOLD MOVING UP

--NEW IMPORTS TAXES ON NON-ESSENTIALS

1. INTERNAL

A. CEASE FIRE

CASUALTIES ROSE IN MR-I, ALTHOUGH CEASEFIRE VIOLATIONS REMAINED AT A LOW LEVEL. THERE WERE SHECXINGS AND SKIRMSIHINGS AT A NUMBER OF OP'S ALONG THE RVNAF DEFENSIVE PER QETER NORTH OF THE HAI VAN PASS, AND AN UPSWING IN ACTIVITY TO THE SOUTH IS EXPECTED TO CONTINUE AS THE COMMUNISTS ATTEMPT TO RECOUP RECENT LOSSES OF RICE AND OTHER FOODSTUFFS IN THE FLOOD-RAVAGED SOUTHERN PROVINCES. THE FOCUS IN MR-II IS ON THE HIGHLANDS, WHERE THERE HAS BEEN A MAJOR EFFORT TO IMPROI ARVN'S INTERIOR LOC'S AND WHERE MAJOR TROOP REDEPLOYMENTS HAVE STRENGTHENED DEFENSES IN THESE BORDER PROVINCES, PARTICULARLY DARLAC AND CONFIDENTIAL

PAGE 04 SAIGON 20127 01 OF 03 291226Z

QUANG DUC. IN THE LATTER, RANGERS REOCCUPIED DAK SONG ON NOV 28. NINH THUAN AND KHANH HOA RF WILL REPLACE THE ARVN FORCES TRANSFERRED INFLAND FROM BINH DINH AND PHU YEN. THE STRUGGLE FOR RICE CONTINUES IN BINH THUAN. MILITARY ACTIVITY IN MR-111 CONTINUED ON THE RISE. THE HEAVIEST RETALIATORY AIR STRIKES SINCE THE "CEASEFIRE" WERE UNLEASHED AGAINST COMMUNIST BASE AREAS NEAR THE CAMBODIAN BORDER. WITH THE ADVENT OF THE DRY SEASON, THE GVN IS BEGINNING CONSTRUCTION OF EXTENSIVE ANTI-TANK DITCHES ACROSS ITS NORTHERN PERIMETER FROM TAY NINH THROUGH BIEN HOA. MILITARY ACTIVITY IN MR-IV--STILL CENTERED IN DINH TUONG AND VICINITY--ROSE TO THE HIGHEST LEVEL IN A MONTH. IN DINH TUONG ON NOV 20, ARVN 7TH DIVISION TROOPS KILLED AT LEAST 120 NVA. TERRITORIAL FORCES IN KIEN HOA, VINH BINH, AND VINH LONG CONTINUE ACTIVE IN MOBILE DEFENSE TO KEEP COMMUNIST UNITS OFF-BALANCE. A STATE OF FLUX AT ICCS HQS HAS HELD UP DISCUSSIONS ON BOTH INVESTIGATIONS AND THE BUDGET, WHILE REGIONAL TEAMS HAVE REMAINED LARGELY NON-FUNI IONAL AS A RESULT OF INTERNAL DIS-AGREEMENT AND LACK OF DIRECTION FROM SAIGON. THOUGH FAILING TO ACCOMPLISH ANYTHING, TPJMC AND *PJMT DID MEET LAST WEEK DURING

A BRIEF INTERLUDE IN THE TENSION: THIS WEEK THERE HAVE BEEN MEETINGS BY EITHER BODY, AS THE COMMUNISTS RESUMED THEIR BOYCOTTS IN PROTEST OF GVN RETALIATORY AIR STRIKES.

B. EFFORTS TO AID VICTIMS OF MR-II FLOODS

EFFORTS TO AID THE VICTIMS OF THE FLOODING IN CENTRAL VIET-NAM WHICH FOLLOWED TROPICAL STORM SARAH HAVE BEEN IN THE NEWS THROUGHOUT THE PAST WEEK. MINISTER PHAN QUANG DAN, CHAIRMAN OF THE INTER-MINISTERIAL RELIEF COMMISSION, AND MINISTER OF SOCIAL WELFARE TRAN NGUON PHIEU PROPOSE TO PROVIDE TWENTY KG OF RICE TO EACH FAMILY VICTIMIZED BY THE FLOODS. THEY ESTIMATE THAT 20,000 SUCH FAMILIES EXIST, REQUIRING 400 METRIC TONS OF RICE AT A COST OF 80 MILLION PIASTERS (ABOUT \$150,000 U.S.) FOR WHICH THEY SOUGHT AND RECEIVED USAID PERMISSION TO USE AAC FUNDS.

GROUPS OF CIVIL SERVANTS, VETERANS, STUDENTS, AND OTHERS HAVE CONTRIBUTED TOWARDS RELIEF WORK, AS HAVE VARIOUS RELIGIOUS AND SECULAR RELIEF AGENCIES. A DELEGATION OF MEMBERS OF THE NATIONAL ASSEMBLY HEADED BY THE UPPER HOUSE LABOR AND SOCIAL WELFARE COMMITTEE CHAIRMAN, SENATOR DOAN VAN CUU, TRAVELED TO QUANG NAM, CONFIDENTIAL

PAGE 05 SAIGON 20127 01 OF 03 291226Z

QUANG NGAI, BINH DINH, PHU YEN, AND KHANH HOA PROVINCES AND PRESENTED EACH PROVINCE WITH ONE MILLION PIASTERS (ABOUT \$1,700 U.S.) AS A CONTRIBUTION TO THE RELIEF WORK IN THE PROVINCE.

C. COMMAND CHANGES IN ALL MILITARY REGIONS

NUMEROUS COMMAND CHANGES HAVE OCCURRED IN ALL MILITARY REGIONS DURING THE PAST FEW DAYS. DIVISION COMMANDERS, STAFF POSITIONS, PROVINCE CHIEFS, AND THE TRAINING COMMAND HAVE ALL BEEN AFFECTED. SOME OF THE CHANGES IN MR-II APPEAR TO BE FURTHER EFFORTS BY MG NGUYEN VAN TOAN TO REDEEM HIMSELF IN PRESIDENT THIEU'S EYES FOLLOWING THE RECENT LOSS OF TWO BORDER OUTPOSTS IN QUANG DUC PROVINCE. THOSE IN MR-III ARE A CONTINUATION OF THE CHANGES UNDER THE NEW III CORPS/MR-III COMMANDER LTG PHAM QUOC THUAN. THE CHANGES IN THE TRAINING COMMAND APPEAR TO BE ROUTINE. THOSE IN THE INSPECTOR GENERAL (IG) CORPS PUT IN GENERAL OFFICERS AS CORPS IC'S FOR THE FIRST TIME. THE CHANGES WERE AS FOLLOWS:

I CORPS/MR-I

BG NGUYEN HUU HANH: FROM INACTIVE DUTY DUE TO ILLNESS (TB) TO IG OF MR-I.

II CORPS/MR-II

BG TRAN VAN CAM:
KOM COMMANDER 23RD DIVISION TO II CORPS
CHIEF OF STAFF

COL LE TRUNG TUONG: FROM II CORPS CHIEF OF STAFF TO COMMANDER 23RD DIVISION

COL NGUYEN TRONG LUAT: FROM SPECIAL ASSISTANT TO THE II CORPS
COMMANDER FOR OPERATIONS TO DARLAC PROVINCE CHIEF

COL PHAN VAN NGHIN: FROM G-3 OF I CORPS TO QUANG DUC PROVINCE
CHIEF

BG NGUYEN THANH HOAN: FROM IV CORPS DEPUTY COMMANDER TO IG OF
MR-II

CONFIDENTIAL

PAGE 06 SAIGON 20127 01 OF 03 291226Z

111 CORPS/MR-III

COL TRAN VAN TY: FROM COMMANDANT OF THE ARVN ARMOR SCHOOL TO
TAY NINH PJ;8;3 CHIEF (HE REPLACES COL LE VAN THIEN)

COL TON THAT SOAN: FROM IG OF ZE MARINE CORPS TO HAU NGHIA
PROVINCE CHIEF (HE REPLACES COL DOAN CONG NAU)

BG HO TRUNG HAU: JUST GRADUATED FROM THE DEFENSE COLLEGE TO
IG OF MR-III

IV CORPS/MR-IV

BG HUYNH VAN LAC: FROM IV CORPS CHIEF OF STAFF TO COMMANDER
9TH DIVISION

MG TRAN BA DI: FROM COMMANDER 9TH DIVISION TO IV CORPS
DEPUTY COMMANDER

BG CHUONG DZENH QUAY: FROM UNASSIGNED STATUS TO IV CORPS
CHIEF OF STAFF

COL HUYNH NGOC DIEP: FROM SA DEC PROVINCE CHIEF TO PHONG
DINH PROVINCE CHIEF (HE REPLACES COL LE NGOC DAY)

LTC VUONG VAN TRO: FROM COMMANDER 32ND REGIMENT, 21ST
DIVISIONKN TO SA DEC PROVINCE CHICV (HE REPLACES COL DIEP)

BG TRAN QUOC LICH: UNASSIGNED SINCE NOV 7,1973 (FORMER COMMANDER
5TH DIVISION) TO IG OF MR-IV

CONFIDENTIAL

PAGE 01 SAIGON 20127 02 OF 03 291243Z

41
ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 SSO-00 AID-20 EB-11

FSI-01 PM-07 INR-10 IO-14 L-03 NSAE-00 NSC-10 PA-04

RSC-01 DRC-01 DPW-01 PRS-01 OMB-01 SS-20 INRE-00 /155 W

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O R 291030Z NOV 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 9429

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AUMJNO/AMEMBASSY PHNOM PENH 5188

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUTCAN THO

AMEMBASSY TEHRAN

AMCONSUL DANANG

AMCONSUL NHA TRANG

USDAO SAIGON

CONFIDENTIAL

PAGE 02 SAIGON 20127 02 OF 03 291243Z

CINCPAC

CINCPACAF

CO 7TH PSYOPS GP

CINCPACFLT

CINCUSARPAC

USLO PEKING

DEPCHIEF JU OAAG

C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 20127/92

TRAINING COMMAND

LTG P YN TROUNG CHINH: FROM CHIEF OF THE CENTRAL MILITARY

TRAINING AGENCY TO COMMANDANT OF THE STAFF AND COMMAND SCHOOL LTG N

GUYEN BAO TRI: FROM COMMANDANT OF THE STAFF AND COMMAND SCHOOL TO CHIEF OF THE CENTRAL MILITARY TRAINING AGENCY

LTG LU LAN: FROM ARMED FORCES INSPECTOR GENERAL TO

COMMANDANT OF THE DEFENSE COLLEGE (HE REPLACES LTG VINH LOC, WHO IS UNASSIGNED)

OTHER

LTG LE NGUYEN KHANG: APPOINTED AS MED FORCES INSPECTOR GENERAL IN ADDITION TO HIS CURRENT DUTIES AS ASSISTANT TO THE CHIEF OF THE JCS FOR OPERATIONS

C. UPPER HOUSE CONDEMNS COMMUNIST ACTIONS

THE UPPER HOUSE NOV 24 PASSED A "PROCLAMATION" CONDEMNING NORTH VIETNAMESE INFILTRATION, COMMUNIST VIOLATIONS OF THE CEASEFIRE, AND THE

PERCEIVED COMMUNIST INTENTION TO RENEW THE WAR. INTRODUCED BY SENATOR

(EX-GENERAL) TONHBHAT DINH, WHO IS CHAIRMAN OF THE UPPER HOUSE DEFENSE COMMITTEE, THE RESOLUTION APPEALS TO THE UNITED NATIONS AND THE SIGNERS OF THE PARIS INTERNATIONAL AGREEMENT, AS WELL AS ALL "PEACE-LOVING COUNTRIES OF THE WORLD", TO TAKE ACTION TO PREVENT WARFARE FROM RESUMING. (SEE FBIS ITEM S250330 FOR TEXT)
CONFIDENTIAL

PAGE 03 SAIGON 20127 02 OF 03 291243Z

D. SUPREME COURT NOV 27 ELECTED ITS OFFICERS FOR THE 1973-74 TERM. AS EXPECTED, TRAN VAN LINH WAS RE-ELECTED CHIEF JUSTICE.

NGUYEN VANVIEN AND TRINH XUAN NGAN WERE RE-ELECTED AS THE FIRST AND SECOND DEPUTIES TO LINH.

PART II. EXTERNAL

A. GVN HAILS DIPLOMATIC SUCCESSES AT INTERNATIONAL MEETINGS.

THE SPOKESMAN OF THE MINISTRY OF FOREIGN AFFAIRS CITED THE FOLLOWING RECENT GVN SUCCESSES: 1) THE GVN HAS BEEN INVITED BY THE UN SEC GEN TO ATTEND TWO LAW OF THE SEA CONFERENCES IN VENEZUELA AND NEW YORK. THIS REPRESENTED A GVN VICTORY AS THE COMMUNIST COUNTRIES HAD TRIED TO HAVE THE "PRG" INVITED ALSO BUT HAD BEEN DEFEATED BY A DIPLOMATIC CAMPAIGN WAGED BY THE GVN OBSERVER MISSION IN NEW YORK; 2) THE GVN DELEGATION TO THE RED CROSS

CONFERENCE IN TEHRAN HAD CONVINCED THE GATHERING THAT THE "PRG" WAS NOT A TRUE LIBERATION MOVEMENT AND SHOULD THEREFORE NOT PARTICIPATE IN THE DIPLOMATIC CONFERENCE SCHEDULED FOR 1976 TO

VIEW THE 1969 GENEVA CONVENTION ON PW'S (FBIS-S210722);
3) AT A RECENT FOOD AND AGRICULTURE ORGANIZATION (FAO) CONFERENCE
IN ROME THE GVN REPRESENTATIVE HAD SUCCEEDED IN HAVING DEFEATED
A PEOPLE'S REPUBLIC OF CHINA MOTION QUESTIONING THE RIGHT
OF THE GVN TO
REPRESENT SOUTH VIET-NAM.

B. GVN ISSUES COMMUNIQUE ON ROCKET ATTACK ON PLEIKU AIRFIELD.

ON NOV 22 THE GVN MINISTRY OF FOREIGN AFFAIRS ISSUED A
COMMUNIQUE DENOUNCING THE COMMUNISTS' ROCKET ATTACK ON CU HANH
AIRFIELD IN PLEIKU.

C. RVN AMBASSADOR PRESENTS CREDENTIALS IN BANJUL.

OFFICIAL VIET-NAM PRESS ANNOUNCED ON NOV 28 THAT DANG NGOC TRAN,
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PAGE 04 SAIGON 20127 02 OF 03 291243Z

RVN AMBASSADOR RESIDENT IN LIBERIA, HAD "RECENTLY PRESENTED HIS
CREDENTIALS TO GAMBIA PRESIDENT DAWDA K. JAWARA.

D.GVN/VIET CONG BILATERALS: ON AGAIN, OFF AGAIN

THE LA CELLE STM LOUD CONSULTATIONS BETWEEN THE GVN AND THE
COMMUNISTS RESUMED NOV 22 AFTER A FOUR-WEEK HIATUS. THE DEPUTY
CHIEFS OF THE RESPECTIVE DELEGATIONS TRADED CHARGES OF CEASEFIRE
VIOLATIONS BUT AGREED TO MEET AGAIN NOV 30. ACCORDING TO REUTER,
HOWEVER, THE VIET CONG ANNOUNCED IN PARIS ON NOV 27 THAT THEY WOULD

NOT ATTEND THE SCHEDULED SESSION IN PROTEST OF THE GVN'S RECENT
BOMBING OF KATUM. MEANWHILE, IN SAIGON THE GVN DECLARED THAT NGUYEN
LUU VIEN, HEAD OF THE GVN DELEGATION AT THE CONSULTATIONS, WOULD
NOT RETURN TO PARIS UNTIL THERE WAS SOME PROSPECT FOR
PROGRESS IN THE TALKS.; (FOR REPORT ON VIET CONG DELEGATION CHIEF'S
ACTIVITIES, SEE BELOW.)

E. VWP DELEGATION IN EAST GERMANY.

A DELEGATION OF THE VIET-NAM WORKERS' PARTY (VWP) LED BY
CENTRAL COMMITTEE MEMBER TO HUU ARRIVED IN EAST GERMANY ON NOV 23.
ACCORDING TO PRESS REPORTS THE DELEGATION, WHICH IS ON ITS WAY
HOME FROM LONDON WHERE IT SAT IN ON THE 12TH CONGRESS OF THE BRITISH
COMMUNIST PARTY, WILL STUDY THE SED'S EXPERIENCE IN IDEOLOGICAL
WORK.

F. VWP REPRESENTATIVE PAINTS BLEAK PICTURE OF NORTHERN ECONOMIC

NGUYEN VAN TRAN, SECRETARY OF THE HANOI CITY PARTY COMMITTEE
AND MEMBER OF THE VWP CENTRAL COMMITTEE SECRETARIAT, TOLD " TOKYO
MAINICHI" THAT, DESPITE THE END OF THE WAR, ESSENTIAL FOODSTUFFS
ARE IN SHORT SUPPLY IN NORTH VIET-NAM. TRAN, IN JAPAN FOR THE
JAPANESE COMMUNIST PARTY CONGRESS, TOLD "MAINICHI" ON NOV 21 THAT
THERE ARE CURRENTLY SHORTAGES OF BOTH MILK AND SUGAR AND THAT RICE

IS STILL RATIONED. MEAT, SAID TRAN, WAS AVAILABLE ON A MNNTLY RATION OF ONLY 500 GRAMS PER CAPITA. TRAN CLAIMED THAT ONE-QUARTER OF THE HOMES IN HANOI WERE DESTROYED DURING THE US BOMBING CAMPAIGN LAST DECEMBER, CREATING SERIOUS HOUSING SHORTAGE IN THE CAPITAL.

HE STATED THAT THE DRV HAS NOT YET FORMULATED A NATIONAL RECONSTRUCTION
CONFIDENTIAL

PAGE 05 SAIGON 20127 02 OF 03 291243Z

PLAN, AS SUCH, BUT THAT THE REGIME INTENDED TO FOCUS DEVELOPMENT EFFORTS ON BASIC INDUSTRY, MINING AND SHIPBUILDING. TRAN AVERRED THAT VETERANS RETURNING HOME AFTER THE WAR (SIC) GAVE THE NORTH AN ADEQUATE MANPOWER BASE BUT THAT TECHNICIANS, SKILLED LABORERS AND CAPITAL WERE IN SHORT SUPPLY. (COMMENT: TRAN'S DESCRIPTION OF THE NORTH VIETNAMESE ECONOMY IS SURPRISINGLY CANDID. HIS POOR-MOUTHING CAN, FOR THE MOST PART, BE LAID TO HANOI'S DESIRE TO ATTRACT

AS MUCH AID AS POSSIBLE FROM THE JAPANESE. NONETHELESS IT IS

STRIKING THAT HE WOULD IN SUCH STRONG TERMS CONFESS IN EFFECT,

THE REGIME'S INABILITY TO IMPROVE SIGNIFICANTLY THE STANDARD OF LIVING SINCE THE CEASEFIRE. AFTER ALL, FOR THE NORTH AT ANY RATE, THE WAR HAS BEEN OVER FOR NEARLY A YEAR. END COMMENT.)

CONFIDENTIAL

PAGE 01 SAIGON 20127 03 OF 03 291829Z

42/46

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 SSO-00 AID-20 EB-11

FSI-01 PM-07 INR-10 IO-14 L-03 NSAE-00 NSC-10 PA-04

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O R 291030Z NOV 73 VOL ZDK

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AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO
USIA WASHDC WSYQQ
AMEMBASSY VIENTIANE
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON
USDEL JEC PARIS
CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA
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CONFIDENTIAL

PAGE 02 SAIGON 20127 03 OF 03 291829Z

CINCV
C
CINCPACAF
CO 7TH PSYOPS GP
CINCPACFLT
CINCUSARPAC
USLO PEKING
DEPCHIEF JUSMAAG

C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 20127

C O R R E C T E D C O P Y (TEXT)

G. DRV TRADE UNION FEDERATION TO HOLD CONGRESS

HANOI RADIO ANNOUNCED ON NOV 22 THAT THE NORTH VIETNAMESE TRADE UNION FEDERATION WOULD HOLD ITS THIRD NATIONAL CONGRESS IN FEB 1974. (COMMENT: THIS IS, PERHAPS, ANOTHER SIGN THAT A PARTY CONGRESS IS IN THE OFFING. OTHER INDICATORS INCLUDE CONGRESSES OF THE WOMEN'S ORGANIZATION AND THE HO CHI MINH YOUTH GROUP, BOTH SCHEDULED FOR SPRING 1974. END COMMENT.)

H. HANOI BLASTS BRITISH

ON NOV 20 HANOI RADIO TOOK BRITISH UNDER SECRETARY OF STATE FOR FOREIGN AFFAIRS ANTHONY WHITE TO TASK FOR HIS STATEMENT ON NOV 14 WHICH, ACCORDING TO THE BROADCAST, "FALSELY ACCUSED THE VIETNAMESE PEOPLE OF VIOLATING THE PARIS AGREEMENT". REFERRING TO ALLEGED US AND GVN VIOLATIONS, THE BROADCAST LABELED WHITE'S STATEMENT "HYPOCRITICAL" AND "A VERY CRUDE DISTORTION AND SLANDER".

I. HANOI SIGNS TRANSPORT AGREEMENT WITH PATHET LAO

VIET-NAM NEWS AGENCY (VNA) REPORTED ON NOV 26 THAT THE DRV AND LAO PATRIOTIC FRONT (LPF) HAS SIGNED A "PROTOCOL ON TRANSPORT IN 1974". NO DETAILS WERE GIVEN.

J. THO ENDS VISIT TO CHINA, RETURNS TO HANOI; POLAND NEXT

NGUYEN HUU THO, PRESIDENT OF THE ADVISORY COUNCIL OF THE VIET CONG'S SO-CALLED "PRG", ARRIVED IN HANOI ON NOV 23 AFTER A SIX-DAY VISIT
CONFIDENTIAL

PAGE 03 SAIGON 20127 03 OF 03 291829Z

TO CHINA. BEFORE LEAVING PEKING ON NOV 21 THO SIGNED A JOINT COMMUNIQUE WITH CHOU EN-LAI IN WHICH THE CHINESE PLEDGED CONTINUED SUPPORT FOR THEIR VIETNAMESE COMRADES AND JOINED THE VIET CONG IN CONDEMNING THE US AND GVN FOR ALLEGED VIOLATIONS OF THE PARIS AGREEMENT. THO, WHOSE PARTY INCLUDED "PRG" FOREIGN MINISTER NGUYEN THI BINH, MADE DAY-LONG STOPS IN TIENTSIN AND CANTON ON HIS WAY BACK TO HANOI. PLAND WILL APPARENTLY BE THE NEXT STOP ON THO'S INTERNATIONAL JAUNT. WARSAW'S "PAP" ANNOUNCED ON NOV 26 THAT HO WOULD PAY AN "OFFICIAL VISIT" TO POLAND DURING THE FIRST

PART OF DECEMBER. (COMMENT: BY CONDEMNING THE US ALONG WITH THE GVN, A PRACTICE WHICH THEY HAD PREVIOUSLY AVOIDED, THE CHINESE NO DOUBT PLEASED THO'S CHIEFS IN HANOI. THERE IS NO READILY APPARENT EXPLANATION FOR THO'S RETURN TO HANOI PRIOR TO HIS TRIP TO POLAND. END COMMENT.)

K. NORWEGIAN PREMIER RECEIVES VIET CONG REPRESENTATIVE

ON NOV 26 VNA REPORTED THAT NORWEGIAN PREMIER BRATTELI HAD RECEIVED THE DIRECTOR OF THE "PRG" INFORMATION BUREAU IN OSLO, LE VAN KY, ON NOV 22. WHILE THE "INFORMATION BUREAU" SUPPOSEDLY HAS NO DIPLOMATIC STATUS, KY HANDED OVER (AND BRATTELI APPARENTLY ACCEPTED) A COPY OF THE "PRG'S" STATEMENT OF NOV 9 CONDEMNING US AND GVN "VIOLATIONS" OF THE PARIS AGREEMENT. KY ALSO PASSED A LETTER FROM "PRG" LEADERS NGUYEN HUU THO AND HUYNH TAN PHAT THANKING THE NORWEGIANS FOR THEIR GIFT OF 10 MILLION KRONE IN RECONSTRUCTION AID DURING 1973.

L. KIEU IN GUINEA

LIBERATION PRESS AGENCY (LPA) REPORTED ON NOV 26 THAT NGUYEN VAN NIEU, CHIEF OF THE VIET CONG DELEGATION AT THE BILATERAL TALKS IN FRANCE, HAD ARRIVED IN CONAKRY ON NOV 19 TO REPRESENT THE "PRG" AT THE COMEMORATION OF THE THIRD ANNIVERSARY OF THE "GUINEAN PEOPLE'S VICTORY OVER THE PORTUGUESE AGGRESSIVE IMPERIALISTS". HIEU CALLED ON PRESIDENT A. SEKOU TOURE AND PREMIER LANSANA BEAVOGUI ON NOV 20.

III. ECONOMIC

A. GENERAL

CONFIDENTIAL

PAGE 04 SAIGON 20127 03 OF 03 291829Z

THE OUTSTANDING ECONOMIC DEVELOPMENT OF THE PAST WEEK HAS BEEN THE GVN'S DISCUSSIONS WITH AN EIGHT-MAN IBRD (WORLD BANK) TEAM WHICH ARRIVED NOV 22. FINAL PREPARATIONS WERE ALSO UNDERWAY FOR THE NOV 29 ARRIVAL OF THE INTERNATIONAL MONETARY FUND (IMF) DELEGATION. THE IBRD TEAM IS UNDERTAKING A GENERAL ASSESSMENT OF THE ECONOMY AND PREPARING A POSSIBLE PROGRAM OR SECTOR LOAN. THE IMF CONSULTATIONS ORGANIZED AT THE REQUEST OF THE GVN WILL REVIEW THE ECONOMIC SITUATION AND THE GVN'S MONETARY AND FISCAL POLICIES. THE NEW GVN ECONOMIC AND FINANCIAL TEAM APPEARS TO BE WORKING WELL IN PREPARING FOR BOTH OF THESE DISCUSSIONS. COMMISSIONER GENERAL FOR PLANNING PHAM KIM NGOC HAS BEEN FORMALLY CHARGED BY DECREE WITH COORDINATION OF FOREIGN AID, AND THERE HAS BEEN NO DISCORD ON THE GVN SIDE.

IN OTHER ECONOMIC NEWS, DESPITE A DECLINE IN FOOD PRICES LAST WEEK'S MAMMOTH PRICES HIKES FOR POL PRODUCTS PUSHED THE RETAIL PRICE INDEX UP ANOTHER 2.5 PERCENT. NEW IMPORT TAXES ON FINISHED TEXTILES AND A BROAD RANGE OF NON-ESSENTIAL OR LUXURY IMPORTS WERE INTRODUCED ON NOV 22. END CONFIDENTIAL.

BEGIN UNCLASSIFIED

B. PRICES

THE PRICE INCREASE OF 36 PERCENT FOR KEROSENE AND 47 PERCENT FOR GASOLINE PRODUCED A NET INCREASE OF 2.5 PERCENT IN THE USAID SAIGON RETAIL PRICE INDEX FOR THE WEEK ENDING NOV 26. FOOD PRICES, IN CONTRAST, DECLINED FOR THE SECOND CONSECUTIVE WEEK WITH A NET DROP OF 0.7 PERCENT IN THE FOOD INDEX DESPITE RISES OF 1 TO 2 PERCENT IN BLACK MARKET PRICES. WITH A MONTH TO GO, THE OVERALL INDEX IS UP 59.8 PERCENT FOR THE YEAR TO DATE.

C. BLACK MARKET CURRENCY AND GOLD PRICES

THE UPWARD MOVEMENT OF BLACK MARKET CURRENCY PRICES RESUMED LAST WEEK, WITH THE NOV 26 QUOTE FOR US\$100 GREEN UP 7 PIASTERS TO A NEW HIGH OF 615. THE PRICE OF GOLD LEAF ROSE 500 PIASTERS TO VN\$70,500 PER TAEI.

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PAGE 05 SAIGON 20127 03 OF 03 291829Z

D. NEW IMPORT TAXES ON NON-ESSENTIALS

NEW PEREQUATION TAXES INTRODUCED ON NOV 22 RAISED THE COMBINED CUSTOM DUTIES AND PEREQUATION TAXES TO 100 PERCENT ON FINISHED TEXTILES AND A BROAD RANGE OF NON-ESSENTIAL AND LUXURY IMPORTS. EARLIER GVN ACTION TO RESTRAIN IMPORTS OF THESE CATEGORIES OF GOODS INCLUDED SPECIAL ADVANCE DEPOSIT REQUIREMENTS DECREED IN

FEB AND MARCH OF THIS YEAR AND AN EXTENSION OF THE AUTOMATIC
RETENTION PERIOD FOR THOSE DEPOSITS TO TWELVE MONTHS ANNOUNCED ON
OCT 2. ANALYSIS OF DETAILED DATA AVAILABLE THROUGH SEPT INDICATES
THAT THE VALUE OF LETTER OF CREDIT OPENINGS FOR THESE IMPORTS
DECLINED ON THE ORDER OF 50 PERCENT OR MORE ALMOST IMMEDIATELY
FOLLOWING ENACTMENT OF THE SPECIAL ADVANCE DEPOSIT REQUIREMENTS
LAST WINTET. LICENSING BEGAN TO RISE IN SEPT, HOWEVER, SCROBABLY IN
ANTICIPATION OF TET SEASON DEMAND. WHILE PRELIMINARY DATA INDICAATE
THAT TH OCT 2 ADVANCE DEPOSIT EXTENSION WAS HAVING SOME SLOWING
EFFECT, THE GVN DECIDED ADDITIONAL DISINCENTIVES WERE STILL
REQUIRED.

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Message Attributes

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Subject: SUBJECT. EMBASSY SAIGON'S MISSION WEEKLY, NOV 22-29,1973
TAGS: PINT, PFOR, ECON, VS
To: STATE INFO BANGKOK
BUDAPEST
CANBERRA
AMEMBASS JAKARTA
LONDON
MANILA

MOSCOW
OTTAWA
PARIS
PHNOM PENH
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